

Customer-centric retail markets require effective policies, EURELECTRIC tells Commission

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Effective competition in retail markets, customer empowerment, and a more active role for Europe's distribution system operators (DSOs) are the building blocks on which the European Commission should focus their forthcoming policy communication on energy retail markets, EURELECTRIC has responded to the relevant public consultation.

EURELECTRIC is a strong proponent of competitive, customer-centric energy retail markets, which will further consumer trust and engagement. Existing EU legislation has, to a certain degree, helped improve the functioning of retail markets. However, there is evidence that progress in implementing EU legislation is regrettably patchy - to the detriment of retail market integration. The consultation is an opportunity to take stock of on-going national initiatives and assess the need for further action at EU level.

To this end, EURELECTRIC stressed that customer choice between competing offers, market-based prices and transparent contracts and bills are crucial to help customers take charge of their consumption and costs. However, EURELECTRIC warned against measuring effective retail competition by merely looking at switching rates, as customer satisfaction is a multi-dimensional concept. EURELECTRIC also signalled to the Commission the need for effective and smart regulation that will allow DSOs to take up more active system management.

With the policy focus shifting towards the demand side of the energy world - the retail customers. In the past few years, EURELECTRIC has published a series of working papers setting out what the smarter energy system of the future should look like. They describe a world of more engaged and demanding customers, seizing opportunities that did not exist only a few years ago. They see the DSOs as facilitator of the market providing the underlying foundations of the future electricity system, based on smart grids and active system management. And they see retailers moving closer to their customers, mastering technology and creating innovative offers which go far beyond pure commodity sales.

EURELECTRIC will continue working with the Commission and a broad array of stakeholders to make sure that European legislation is conducive to the creation of retail markets that allow power companies to thrive by putting customers firmly at their centre.

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